USDA United States Department of Agriculture

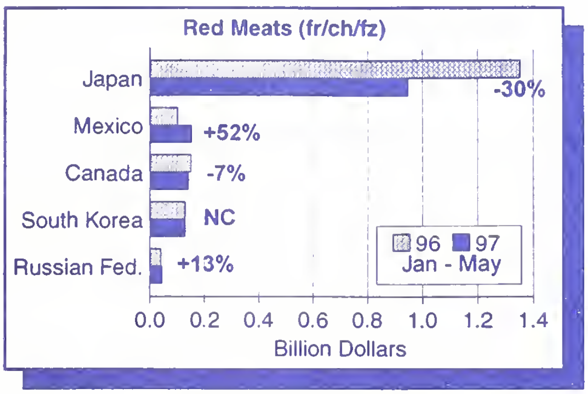
Foreign Agricultural Service

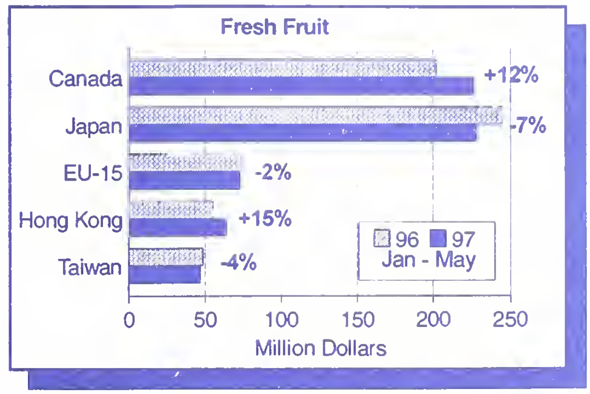
Agricultural Trade Highlights

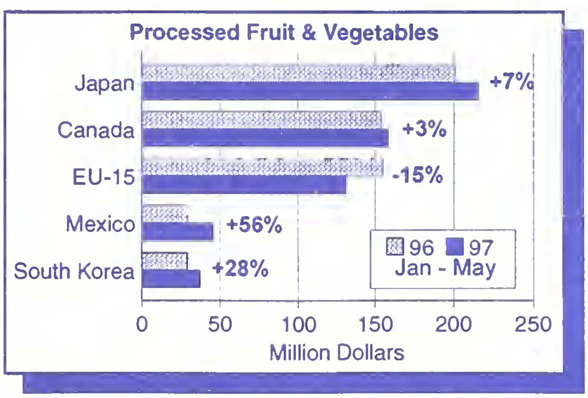
Circular Series

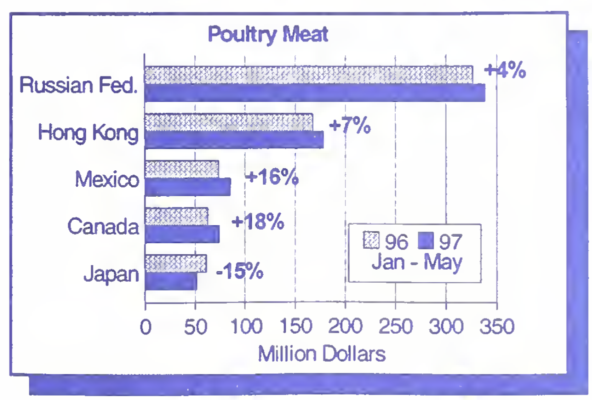
ATH 7 97
July 1997

Consumer Food Trade Trends. . . Top Five Markets









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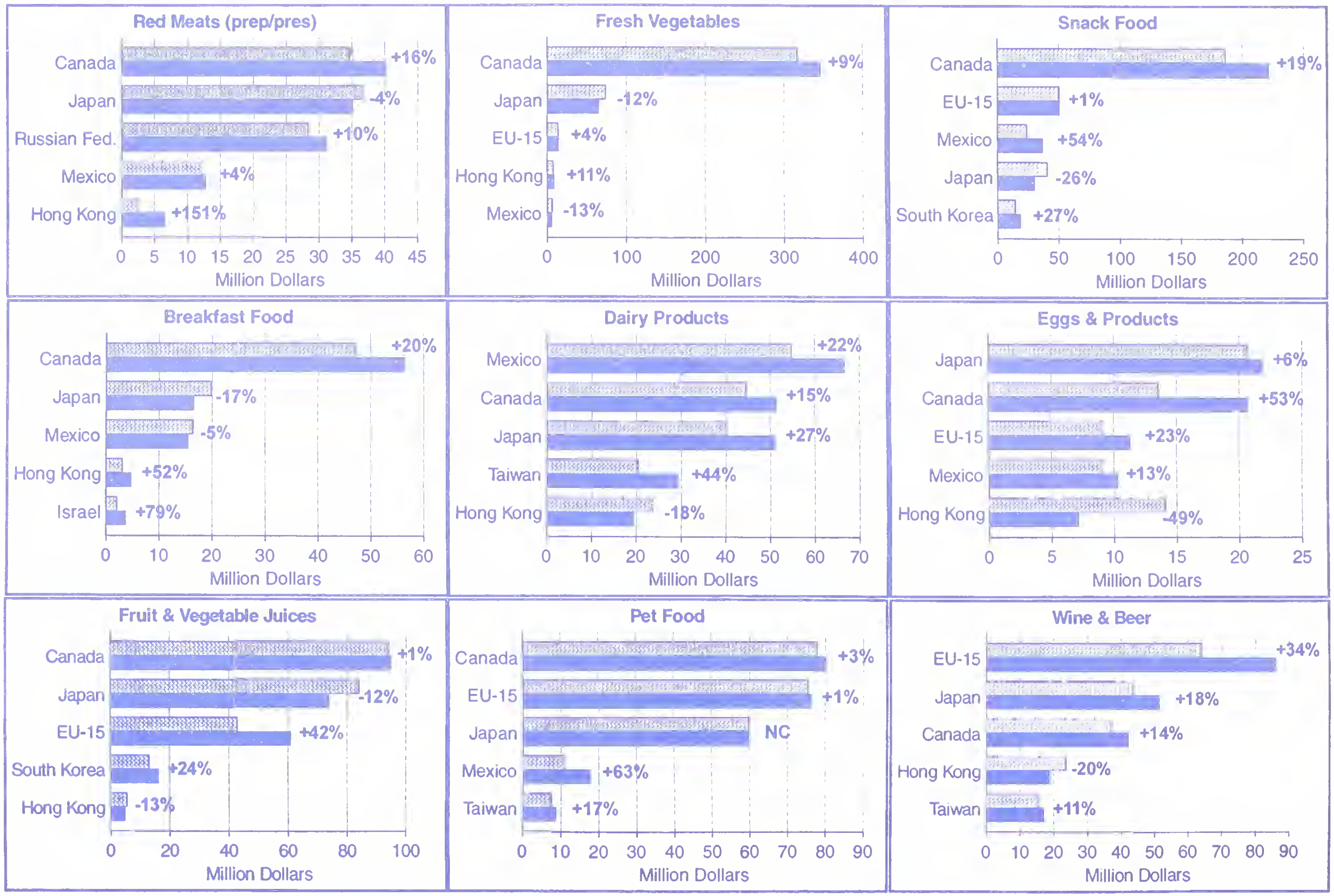
Top Five Markets for Selected U.S. Consumer Foods

January - May Comparisons

CY 96 CY 97



Note: Percentages are computed as the change from 1996 to 1997.

Consumer Food Highlights

U.S. consumer food exports for January through May 1997 were $8.3 billion, nearly unchanged from the same period in 1996. Shipments to the top ranked market, Japan, were 17 percent lower this year compared to last year. Sales to Canada rose 9 percent, while sales to Russia dropped slightly by almost 3 percent compared to the same period last year. On a product basis, consumer food export growth was broad-based with 12 of 16 food product categories showing at least a 6 percent increase.

Exports of *chilled, fresh, and frozen red meats* reached $1.6 billion in the first five months of 1997, down 18 percent compared to the same time period last year. A downward trend in Japan continued as shipments fell by 30 percent to $947 million. Hong Kong ($43 million in shipments, up 11 percent), Russia ($46 million in shipments, up 13 percent), and Brazil ($8 million in shipments, up 332 percent) partly compensated for the downturn in Japan.

Exports of *fresh fruits* for January through May 1997 were $806 million, up 4 percent over the previous year. Japan and Canada accounted for more than 56 percent of the total market. Shipments to Japan totaled $228 million, down 6 percent, while sales to Canada were $226 million up 12 percent. Exports to Hong Kong rose 15 percent to $64 million compared to the same period last year. *Pear* exports were down by 29 percent to $22 million during the first five months of 1997 due in part to a 60-percent decrease in shipments to Asia.

Exports of *poultry meat* for January through May 1997 were at $964 million, up 3 percent from the same period. The dominating market leader once again was Russia with $339 million in shipments, up 4 percent from the same time period in 1996. The second leading market, Hong Kong, reached $178 million, up 6 percent. Mexico also showed a 16-percent increase to $86 million, coming in third overall. Shipments to Japan fell by 15 percent to $52 million while sales to Canada rose to $74 million, up 18 percent.

Exports of *prepared/preserved red meats* in the first five months of 1997 reached $157 million, up 13 percent from the same period in 1996. Canada ($40 million, up 16 percent), Japan ($35 million, down 4 percent), and Russia ($31 million, up 9.5 percent) accounted for 67 percent of all shipments. Sales to Hong Kong continue to prosper, at $6.4 million, up 150 percent.

Exports of *fresh vegetables* for January through May 1997 reached $483 million, up 7 percent. Canada accounted for 71 percent of fresh vegetable exports, with sales of $346 million up 9 percent. The second largest market, Japan, declined by 11 percent to $65 million in sales. Exports also declined 13 percent to Mexico to $5.7 million. Offsetting these declines were increased shipments to Hong Kong (up 11 percent, $8.9 million), Korea (up 186 percent, $5 million), and the United Kingdom (up 20 percent, $8.6 million).

Exports of *snack foods* for January through May 1997 reached $498 million, an increase of 12 percent from the same time period in 1996. Sales to Canada, the market leader, were $221 million up by 19 percent. Shipments to Mexico also rose to $37 million during this time period, up 54 percent. The United Kingdom showed tremendous growth of 170 percent, with sales totaling $18 million so far this year. Other markets that increased were South Korea ($18 million in sales, up 27 percent) and the Philippines ($14 million in sales, up 28 percent).

Exports of *breakfast cereals and pancake mix* for the first five months of 1997 were $143 million, up 10 percent from the same time period in 1996. The market leader, Canada (which accounts for 40 percent of U.S. exports) had shipments of $56 million, up by 19 percent. The number-two market, Japan, had shipments of $16 million, down 16 percent from last year during the same period. Sales to Hong Kong grew by 51 percent to $4.8 million.

Exports of *dairy products* for the first five months of 1997 were $355 million, up 11 percent. The combined shipments to Mexico ($66 million), Canada ($51 million), and Japan ($51 million) made up 48 percent of the market. The fourth leading market, Taiwan, grew 44 percent to $29 million. The two leading products shipped were *cheese* at $45 million, up 6 percent, and *whey* at $55 million, up 9 percent.

...Consumer Food Highlights

Exports of *eggs and products* for the first five months of this year reached $91 million, up 9 percent from the same period last year. At more than $21 million, the leading market of Japan accounts for more than 23 percent of U.S. export sales. Canada showed the most growth in a top market, with $20 million in shipments, up 52 percent. Shipments to Hong Kong slipped to $7 million, down 49 percent, while shipments to Mexico were up 13 percent to $10 million.

Exports of *fruit and vegetable juices* in the first five months of 1997 totaled $305 million, up 7 percent over the same period last year. With more than $94 million in sales, Canada is the leading export market accounting for 31 percent of total juice shipments. Sales to Japan fell to $74 million, down 12 percent. Shipments to South Korea increased by 24 percent to $16 million. EU sales continued to grow to $61 million, up by 42 percent. *Apple juice,* fell by 17 percent to $29 million in the first five months of 1997. The leading markets of Italy and Japan fell to $15 million down 22 percent and $15 million down 24 percent respectively.

Exports of *pet foods* for January through May 1997 reached $303 million, up almost 10 percent over the same period a year ago. Canada and Japan accounted for almost half of the U.S. pet food export. Canada grew 3 percent to $80 million, while Japan was flat at $59 million. Sales to the EU were sustained at $76 million. Once again strong growth was recorded to the Latin American markets of Mexico ($17 million, up 63 percent), Brazil ($7 million, up 176 percent), and Argentina ($6 million, up 59 percent).

Exports of *wine and beer* were $284 million for the first five months of 1997, up 8 percent from the same period a year ago. Exports of wine were $141 million, up 32 percent, while beer fell to $134 million, down 12 percent. Shipments to the leading market, the EU, increased 34 percent to $85 million. Beer sales to the EU were $14 million up 5 percent, and wine sales were more than $69 million up 40 percent. Sales to Japan rose by 17 percent to more than $51 million (with beer sales at $37 million, up 18 percent and sales of wine at more than $12 million, up 9 percent). Beer sales to Mexico were up 105 percent to more than $8 million.

Exports of *nursery products and cut flowers* in January through May 1997 reached $112 million, up 10 percent over the same time period last year. More than half of the shipments went to Canada, with sales reaching more than $60 million, up 11 percent. Exports to the EU were up by 4 percent to more than $30 million in sales.

Exports of *tree nuts* in the first five months of this year reached $379 million, down by 15 percent. The drop in exports was mainly due to a decrease in shipments to the EU, by 21 percent, to $188 million. The leading country market was Japan with sales of $68 million rising 5 percent. Sales also fell to Canada (down 10 percent, $26 million), Hong Kong (down 11 percent, $17 million), and Israel (down 21 percent, $8.5 million). *Almonds* totaled $274 million, down by 15 percent for the first five months in 1997. The decline was due mainly to a 23 percent drop in exports to the EU. However Japan has grown by 5 percent with export sales of more than $44 million.

Exports of *processed fruit and vegetables* for the first five months of 1997 reached $836 million, up 9 percent from last year during the same time period. The leading market, Japan, had $215 million in sales, up 7 percent from the same period last year. Canada finished second with $158 million in shipments, up 3 percent, while Mexico rose 56 percent to $45 million in shipments. Sales of processed fruit and vegetables to Korea were $37 million, up 28 percent from last years total. Japan was the number one market for *french fries* with $62 million in sales, up 8 percent from the same time last year. French fry shipments to Mexico were $5 million, up 64 percent from last year during the same time period. French fries to Korea were up 26 percent to $40 million.

For more information, contact Mike Avery at (202) 690-0553 or by e-mail at averym@fas.usda.gov.

Spotlight on Japan

Unprecedented opportunities are emerging for U.S. exporters as a result of changing market dynamics in Japan. As recession-driven restructuring of the distribution system unfolds, U.S. exporters will have opportunities for more direct access to Japanese consumers. The consumer is looking for value: high quality at reasonable prices.

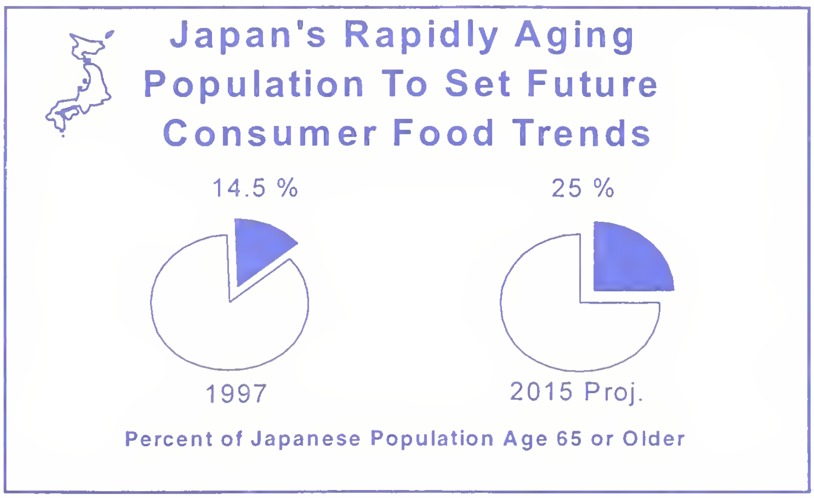
Consumers Make Value-Based Purchasing Decisions

New opportunities for U.S. processed food companies have emerged as a result of economic and demographic shifts among Japanese consumers. The collapse of the bubble economy in 1991 halted household income growth, forcing consumers to tighten their budgets. As a result, their purchasing decisions have shifted away from a status- to a value-basis.

More women are pursuing full-time careers, and family units are smaller. As a result, more meals are eaten alone and consumers prefer spending less time preparing meals. Convenience has become a major purchasing criterion in food; freshness, taste, and quality packaging are also key non-price qualities.

Another trend to watch for in the future is the aging Japanese population. The elderly (defined as 65 years and over) are estimated to comprise 15 percent of the population today, and 25 percent by 2015. In response, an industry devoted to caring for the elderly is developing that will require specialized products.

Food imports still face negative safety perceptions, and Japanese consumers have become more conscious of the health and safety aspects of food. The food safety problems associated with E. Coli in Japan, BSE in the United Kingdom (commonly known as mad cow disease), anthrax in Australia, foot and mouth disease in Taiwan, and swine fever in the Netherlands have created concern among Japanese consumers. As a result, domestic meat often has the perception of being safer than imported meat, even though imports were not linked to the 1996 E. Coli outbreak in Japan.



HRI Sector Has Keen Interest in New Products

Top prospects for U.S. firms can be found in the restaurant, hotel, and retail sectors; key industry participants are seeking new products, innovation, and excitement. Restaurants serving Western style meals will continue to grow and large chains often have difficulty procuring large volumes of product with a consistent quality. Other types of restaurants also demand and often have difficulty procuring high quality, large volume inputs.

Opportunities abound for foods requiring minimum restaurant staff preparation, such as retort pouches and frozen foods. To be successful, U.S. firms should consider tailoring products to meet the very specific needs of the Japanese market.

Retailers Cutting Layers from Distribution Systems

The Japanese retail sector is scrambling to respond to consumer demand by engaging in genuine value-based competition. Retailers are competing under the new 'value' paradigm by streamlining operations, cutting layers off their distribution systems and often importing directly to cut costs. These innovations create new opportunities for U.S. processors with national and regional retailers.

Additionally, the partially liberalized Large-scale Retail Stores Law has further opened the retail system to a new type of competition. The retail

sector is responding to consumer demands for high value by providing high quality and convenient ready-to-cook as well as pre-cooked products (see accompanying story).

High growth products (over 60 percent) in Japanese supermarkets include: frozen pasta, olive oil, cocoa powder, mixed fruit and vegetable juice, non-fruit juice-type soft drinks, chilled croquette, table bread, and chilled hot pot set (vegetables, fish, mushrooms).

In addition, recent products about which the U.S. Agricultural Trade Offices (ATOs) in Tokyo and Osaka have received inquiries on include:

- Herbal tea
- Mexican foods (shelf stable)
- Bagels (frozen)
- Instant pasta
- Crackers and similar baked confectionary items
- Frozen rice pilaf (for food service)
- All-beef hot dogs
- Pacific mackerel
- Organic vegetables (fresh)
- Fresh & dried organic products

In most cases, potential importers are looking for products not already sold in the Japanese market.

Japan Reduces Import Restrictions

In the past ten years, Japan has made major headway in opening the market to imported foods. Very few quantitative restrictions remain except for items such as rice, dairy products, pulses, and certain fishery products. In accordance with the Uruguay Round, Japan lifted its rice import ban, establishing an import quota controlled by the Government of Japan, which will be gradually increased to 758,000 tons by 2000.

Key products where tariffs are considered to inhibit trade include beef, processed cheese, fresh oranges, fresh apples, confectionary ingredients, and milled products. Several fresh produce items are banned or restricted by plant quarantine measures, including apples, nectarines, plums, potatoes, and leafy vegetables. Additionally, complex distribution systems have hampered U.S. trade efforts, but changes in the retail sector will lessen this problem in the future.

U.S. Consumer Foods Have Dominant Stake in Market

The United States is the leading supplier of consumer foods, capturing 30 percent of the Japanese import market in 1996. U.S. exports totaled $5.1 billion in 1996; top products included beef, fresh fruit, pork, and processed fruit and vegetables.

Other major competitors in the consumer food category were China with 10 percent of the import market, Australia with a 9 percent market share, and Thailand with a 4 percent market share, according to statistics from the ATO office in Tokyo. The United States exported $1.6 billion in seafood products in 1996 with a market share of 12 percent. Major competitors include Indonesia, Russia, China, Norway, and Australia.

Taiwan, once the dominant supplier of pork with about half the market in recent-years, has now dropped out of the Japanese market due to an outbreak of foot and mouth disease. Japanese pork imports in 1996 were $3.8 billion. The United States stands to gain market share; Denmark and Canada will also be strong competitors.

U.S. consumer food products also face competition from the Japanese domestic industry, particularly in fresh vegetables, deciduous fruits, alcohol and beverages, and bakery goods. Although less efficient than the United States, Japanese processors have established brands, a keen understanding of consumers, and the connections to navigate the distribution system. Japanese companies have invested in countries like China, Brazil, and Thailand to circumvent high local production costs.

ATO Helps U.S. Companies

The Agricultural Trade Offices in Tokyo and Osaka focus on promoting American high value and value-added food and fiber products in close coordination with the American private sector, state, and regional cooperator groups. ATO Japan also develops and communicates strategic intelligence regarding opportunities in the Japanese consumer-oriented foods market. The ATO stands ready to link strategically with the American agricultural entrepreneur to continue our successes in the complex Japanese market.

For more information on opportunities in the Japanese market contact:

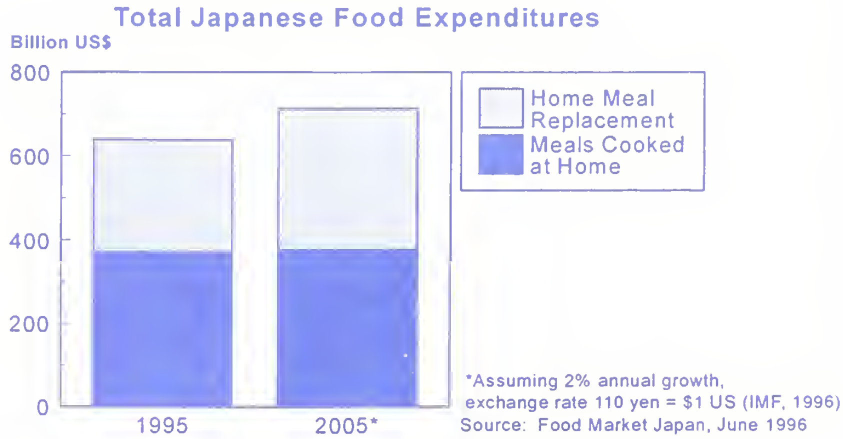
Terrence Barber, Executive Director of ATO Japan
David Miller, Ag Trade Officer
Agricultural Trade Office, Tokyo
Tel: (81-3)3224-5115
Fax: (81-3)3582-6429

Dan Berman, Ag Trade Officer
Agricultural Trade Office, Osaka
Tel: (81-6)315-5904
Fax: (81-6)315-5906

For further information on this article contact: Carmi Lyon at (202)690-5667, lyonc@fas.usda.gov.

Spotlight on Japan

Home Meal Replacement Dominates Future Market Gains



The Home Meal Replacement Boom: An American Lifestyle Import

Japan is now experiencing a boom of interest in the American Home Meal Replacement (HMR) trend. The recent advent of HMR, otherwise known as "Meal Solutions," points to the next stage in evolution of the American fast food sector, which now includes the notion of high quality, delivered conveniently at reasonable prices. Japan's search for American HMR products is on. Weekend shopping lines this spring at department store takeout sections are unprecedented and keep getting deeper. Where's the product? Still in the United States. The race is on.

More than just an American food service fad, HMR is quickly becoming a driving force in customer service. Simply defined, HMR is the business of providing convenient, home-style quality meals that consumers would prepare for themselves if they had the time, the energy, or the know-how.

McDonald's outstanding reputation in Japan for having the world's most stringent handling protocols actually enhances the reputation of American five-star and family-style restaurant foods, with regard to food service quality management technologies and systems. This bodes well for the newly emergent consumer penchant for American HMR--high quality takeout, hence system-based, semi-processed-products. Accordingly, consumer-oriented food imports that offer good value, high quality at reasonable prices, continue to thrive.

Boston Market and EatZie's are among the most visible players in the U.S. HMR market. In its strategic alliance work, ATO Japan will support American franchise and joint venture development in Japan as a means of exporting American food service systems and their corresponding sourcing requirements and preferences. Moreover, Japanese supermarket and department stores will seek to incorporate similar concepts and systems, as "Meal Solutions," in competitive response.

-Terrence Barber, Executive Director ATO Japan

Source: Food Market Japan, June 1997

Trade Show Opportunities in Japan

Hoteres and Foodex Kansai

September 2-5, 1997 Osaka

Target

Food service sector outside of Tokyo market. The deadline has passed but booths may still be available.

Contact: Hoteres and Foodex Kansai
Fax: 81-6-261-5852

Asahi Foods Foodland

September, 1997 Kochi

Target

Asahi Foods is one of the largest wholesalers in western Japan. Successful participation requires a dedicated representative who will follow up on show leads through Asahi, direct sales are not permitted.

Contact: Mr. Matsumoto
Phone: 06-315-5979

Foodservice Industry Fair 1997

October 16-18, 1997 Tokyo

Target: buyers for food service outlets.

Contact: Japan Food Service Wholesale Association
Tel: 81-3-3292-8225
Fax: 81-3-3295-9169

Beer Summit '97

mid-October Osaka

Target

Micro-brew exhibition and judging.

Contact: Ryouji Oda, Japan Craft Beer Association
Fax: 81-797-23-6701

CATEREX

November 11-14, 1997 Tokyo

Target

Catering sections of companies, hospitals, and schools. Features food ingredients and catering equipment.

Contact: Japan Management Association
Tel: 81-3-3434-1243
Fax: 81-3-3434-1836

ASIABEV '97

November 12-14, 1997 Tokyo

Target

Beverage industry in Asia, processors, retailers, and wholesalers. Show features non-alcoholic & alcoholic drinks, raw materials, services, and equipment used in manufacturing and distributing.

Contact: Beverage Japan, Inc.
Fax: 81-3-3989-8727

FOODEX Japan '98

March 10-13, 1998 Chiba

Target

Largest food and beverage show with a strong East Asian presence.

For information on the U.S. Pavilion, contact:
Maria Nemeth-ek, Foreign Agricultural Service
Tel: 202-720-3623
Fax: 202-690-4374

Contact: Japan Management Association
Tel: 81-3-3434-0093,
Fax: 81-3-3434-8076

IFIA JAPAN '98

May 20-22, 1998 Tokyo

Target

Food processors and institutional buyers seeking food ingredients and additives.

Contact: E.J. Krause & Associates, Inc.
Tel: 81-3-3586-7865
Fax: 81-3-3586-7863

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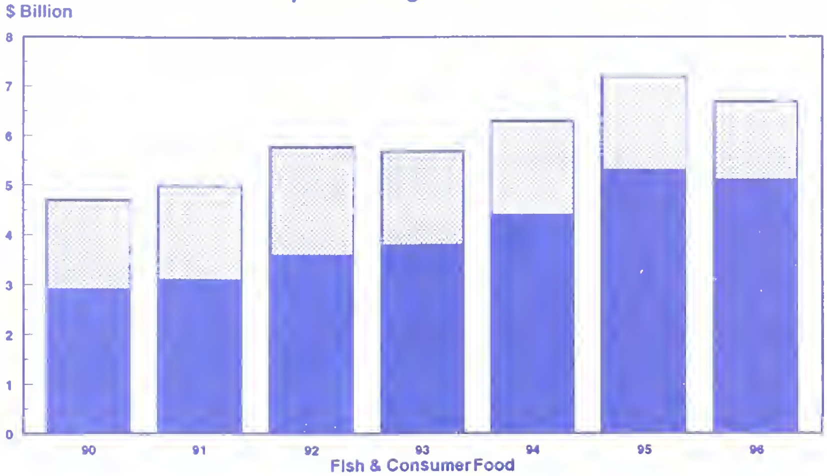
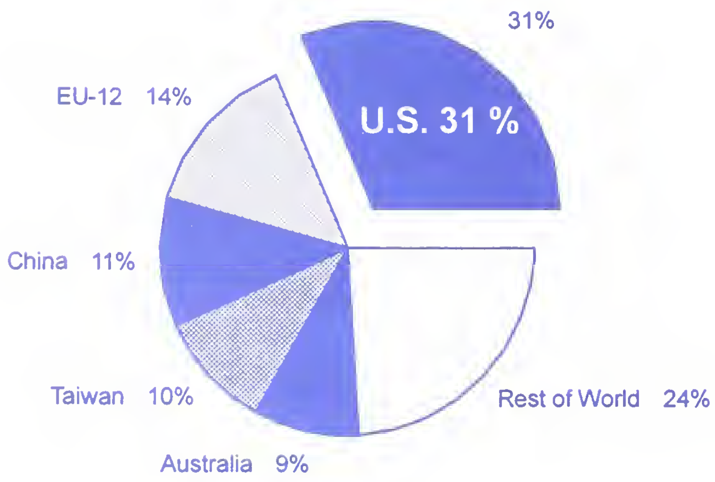
Consumer Food Review--Japan

U.S. Exports of Fish & Consumer Foods to Japan

Japan is Largest U.S. Market

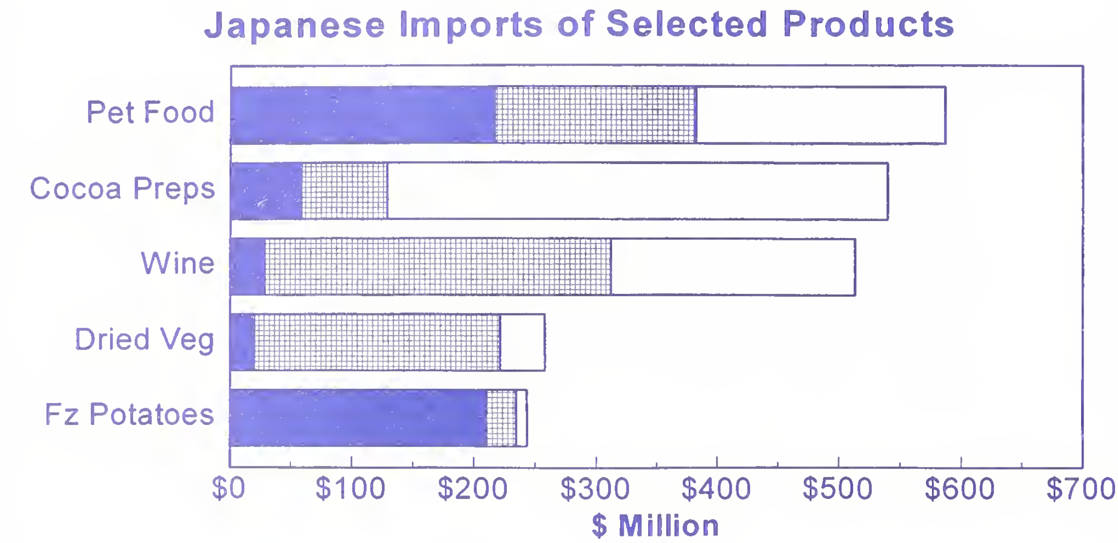


U.S. is Leading Source of Japan's Consumer Food Imports

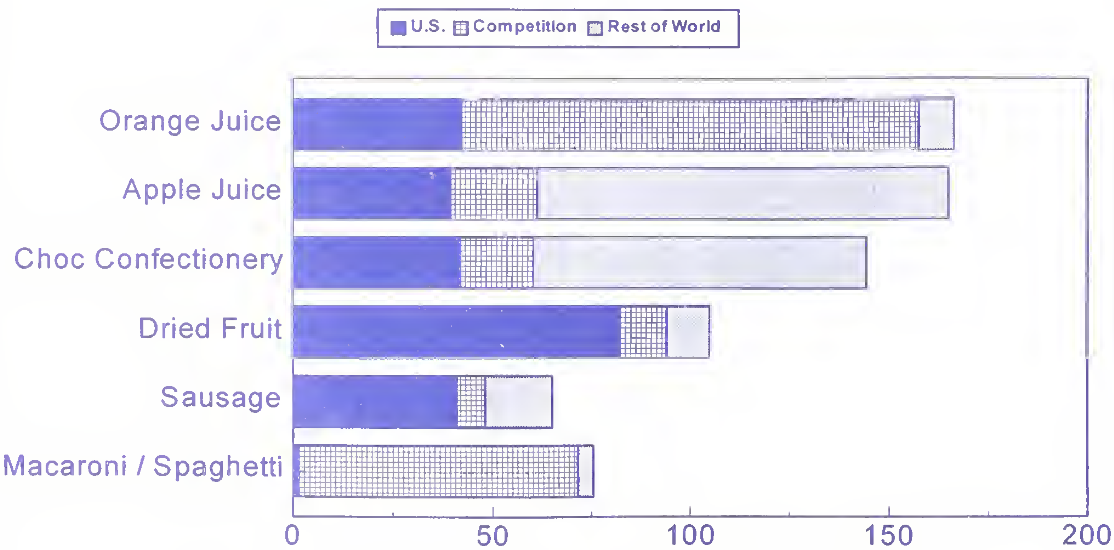


Source: UN Data 1995

1996 Snap Shot of Hot Food Imported Products in Japan



Source: ATO Japan, Food Market Japan May 1997

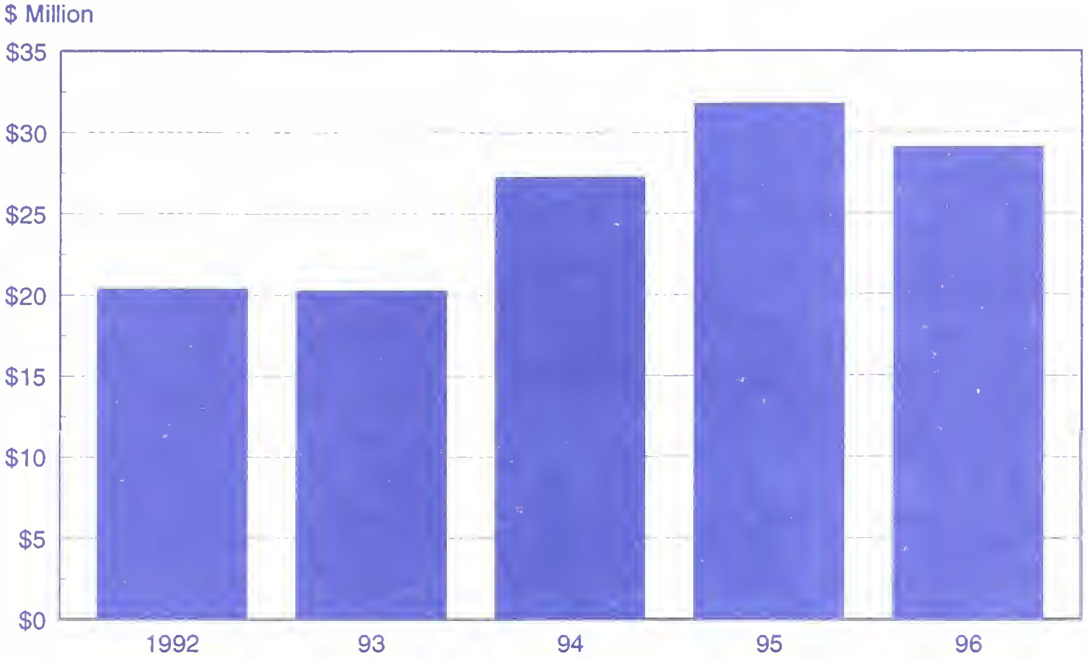


* Competitor (Denmark, Australia, Italy, Singapore, Canada, Chile, France, Brazil, China, Belgium, Thailand)

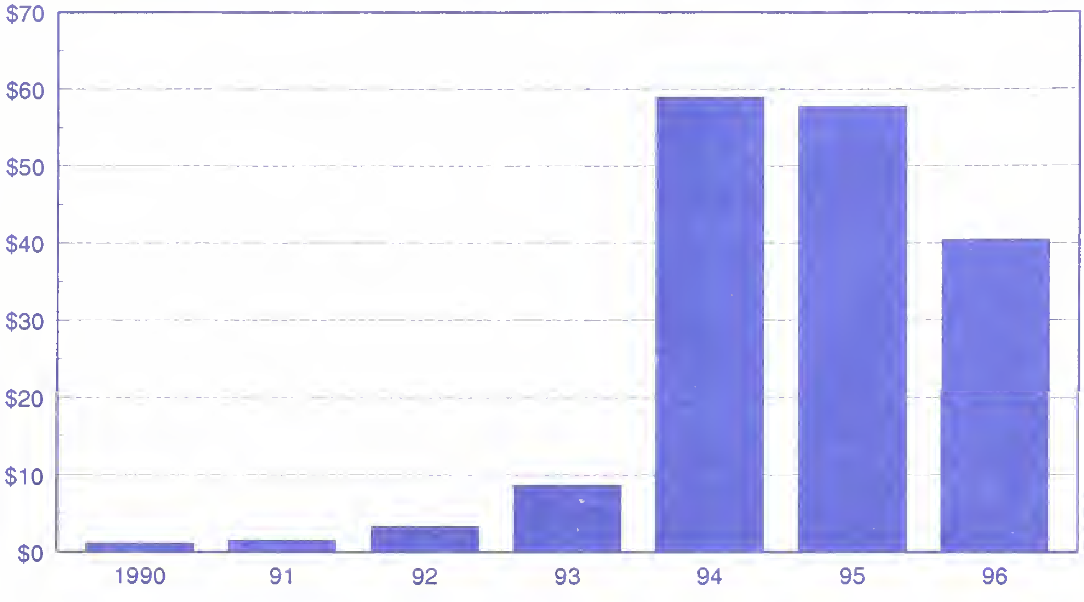
Source: Import data obtained from the Japan External Trade Organization

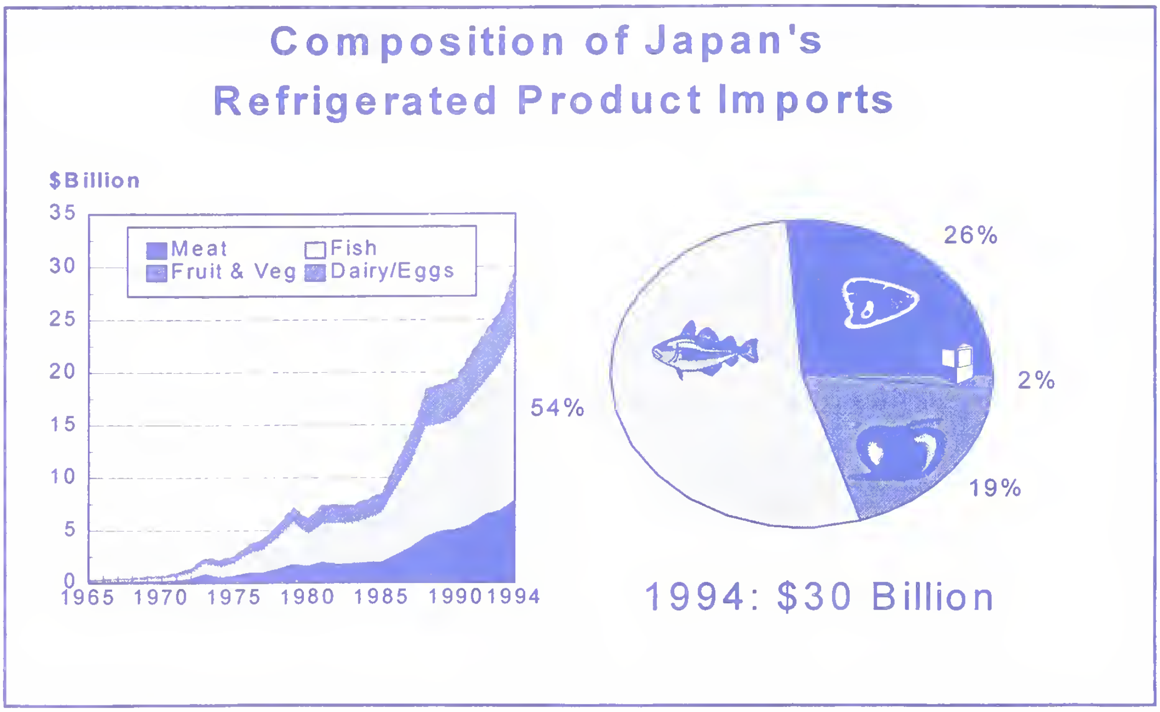
Selected U.S. Consumer Food Exports to Japan

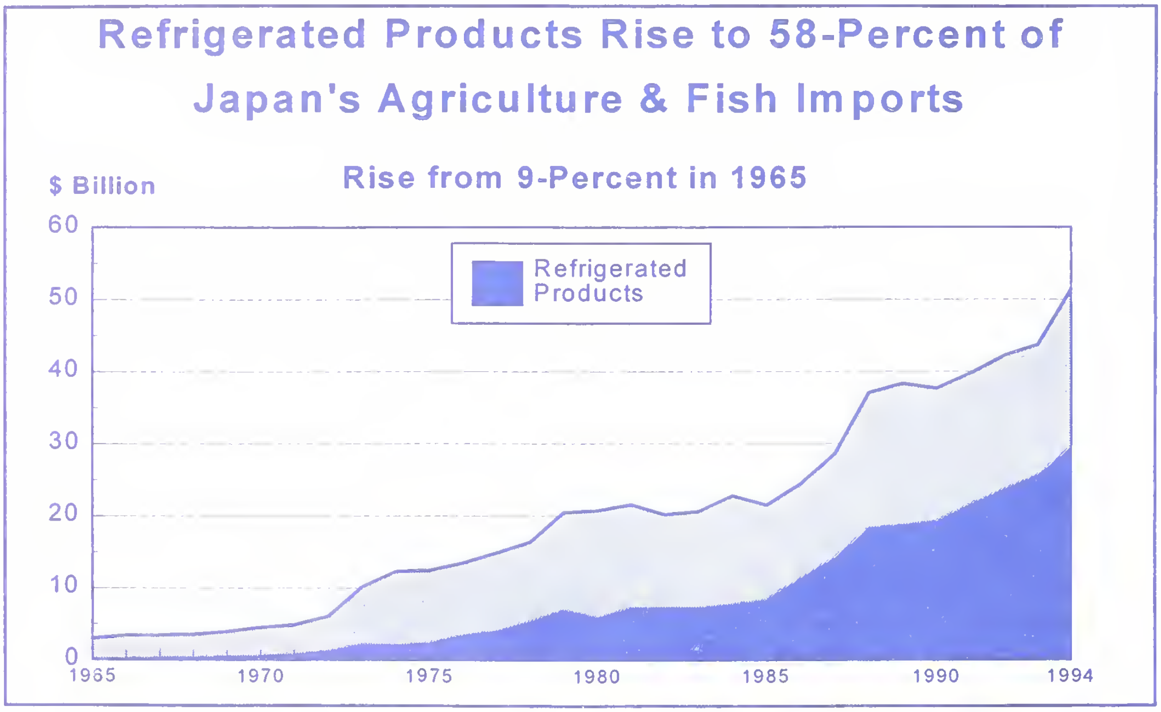
Condiments and Sauces

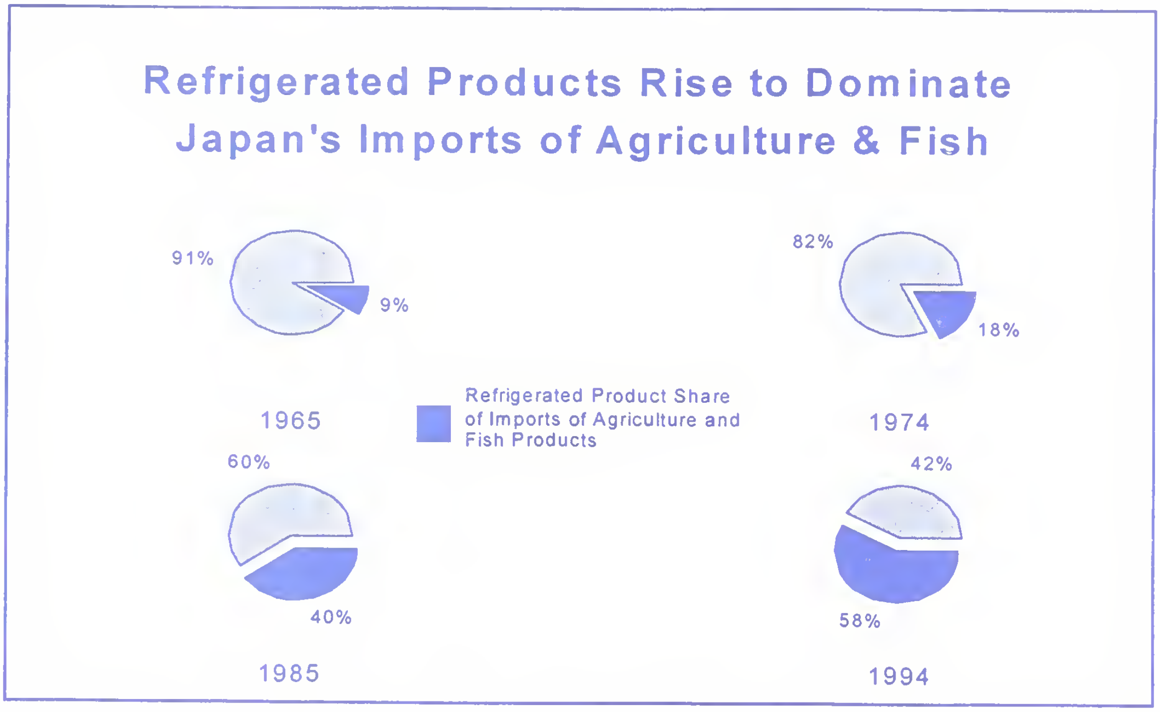


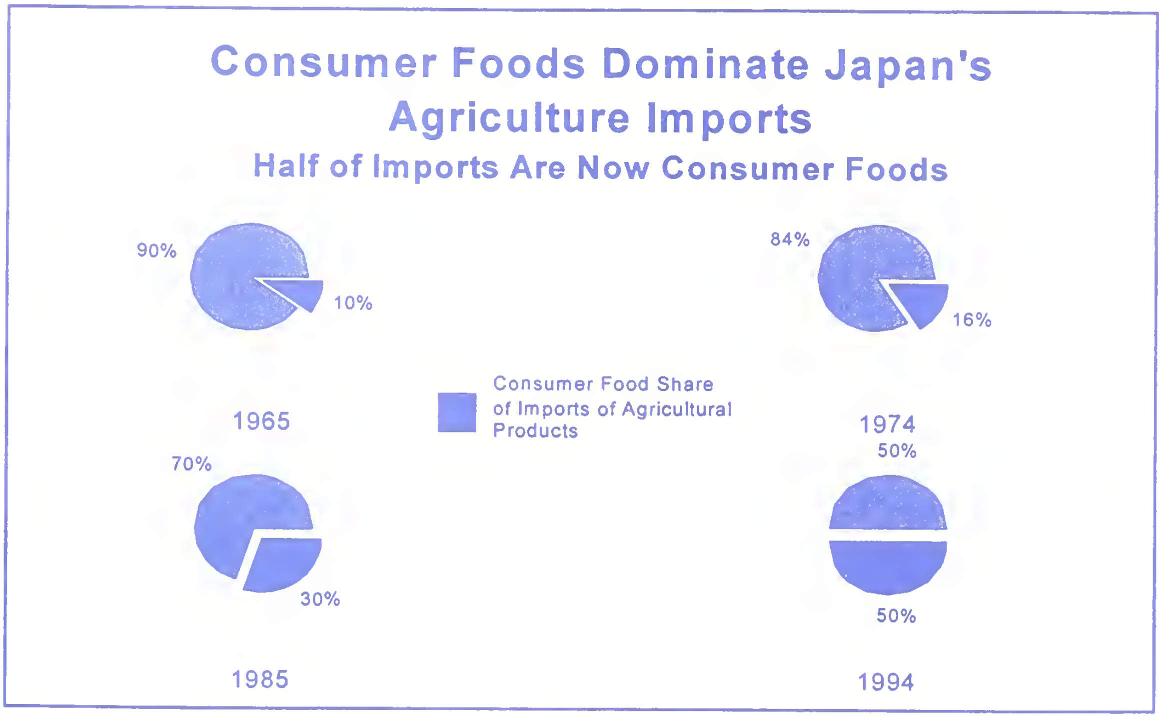
Chips




Composition of Japan's
Refrigerated Product Imports
$Billion
35
30
25
20
15
10
5
0
1965 1970 1975 1980 1985 1990 1994
Meat
Fish
Fruit & Veg
Dairy/Eggs
54%
26%
2%
19%
1994: $30 Billion


Refrigerated Products Rise to 58-Percent of
Japan's Agriculture & Fish Imports
Rise from 9-Percent in 1965
$ Billion
60
50
40
30
20
10
0
Refrigerated Products
1965 1970 1975 1980 1985 1990 1994


Refrigerated Products Rise to Dominate
Japan's Imports of Agriculture & Fish
91%
9%
1965
82%
18%
1974
Refrigerated Product Share
of Imports of Agriculture and
Fish Products
60%
40%
1985
42%
58%
1994


Consumer Foods Dominate Japan's
Agriculture Imports
Half of Imports Are Now Consumer Foods
90%
10%
1965
84%
16%
1974
Consumer Food Share
of Imports of Agricultural
Products
70%
30%
1985
50%
50%
1994

U.S. Agricultural Export Value by Region

Monthly and Annual Performance Indicators

	May			October-May			Fiscal Year		
	1996	1997		FY '96	FY '97		1996	1997(f)	
	-- $Billion --		Chg	-- $Billion --		Chg	-- $Billion --		Chg
Western Europe	0.626	0.565	-10%	6.938	6.950	0%	9.275	9.3	0%
European Union 1/	0.604	0.527	-13%	6.691	6.617	-1%	8.913	9.0	1%
Other Western Europe	0.022	0.038	72%	0.247	0.333	35%	0.363	0.3	-17%
Central & Eastern Europe	0.046	0.017	-63%	0.293	0.239	-18%	0.399	0.4	0%
Former Soviet Union	0.132	0.112	-15%	1.140	1.093	-4%	1.650	1.9	15%
Russian Federation	0.107	0.101	-6%	0.836	0.889	6%	1.235	1.5	21%
Asia	2.214	1.904	-14%	18.548	17.367	-6%	25.959	24.3	-6%
Japan	1.148	1.019	-11%	8.346	7.683	-8%	11.873	11.4	-4%
China	0.103	0.118	14%	1.438	1.475	3%	1.816	2.0	10%
Other East Asia	0.707	0.551	-22%	5.631	5.431	-4%	8.165	7.5	-8%
Taiwan	0.275	0.192	-30%	1.961	1.876	-4%	2.924	2.6	-11%
South Korea	0.301	0.223	-26%	2.621	2.476	-6%	3.710	3.3	-11%
Hong Kong	0.130	0.136	5%	1.048	1.078	3%	1.531	1.6	5%
Other Asia	0.256	0.216	-16%	3.133	2.778	-11%	4.104	3.4	-17%
Pakistan	0.001	0.021	1856%	0.292	0.280	-4%	0.394	0.3	-24%
Philippines	0.083	0.043	-48%	0.615	0.613	-0%	0.904	0.7	-23%
Middle East	0.145	0.206	42%	1.830	1.671	-9%	2.537	2.1	-17%
Israel	0.051	0.049	-4%	0.429	0.399	-7%	0.626	0.5	-20%
Saudi Arabia	0.018	0.061	248%	0.414	0.404	-3%	0.579	0.5	-14%
Africa	0.153	0.123	-19%	1.995	1.262	-37%	2.952	2.1	-29%
North Africa	0.075	0.060	-21%	1.371	0.745	-46%	2.071	1.4	-32%
Egypt	0.050	0.036	-28%	0.929	0.463	-50%	1.418	1.0	-29%
Algeria	0.016	0.021	31%	0.216	0.170	-21%	0.313	0.3	-4%
Sub-Saharan Africa	0.078	0.064	-18%	0.624	0.517	-17%	0.881	0.7	-21%
Latin America	0.862	0.793	-8%	6.559	6.705	2%	9.920	9.8	-1%
Mexico	0.482	0.403	-17%	3.309	3.381	2%	5.005	5.5	10%
Other Latin America	0.380	0.390	3%	3.250	3.324	2%	4.915	4.3	-13%
Brazil	0.020	0.040	98%	0.330	0.328	-0%	0.577	0.5	-13%
Venezuela	0.060	0.046	-22%	0.308	0.377	22%	0.446	0.4	-10%
Canada	0.528	0.595	13%	3.909	4.354	11%	5.988	6.2	4%
Oceania	0.031	0.034	8%	0.309	0.318	3%	0.476	0.4	-16%
World Total	**4.819**	**4.356**	**-10%**	**41.990**	**40.252**	**-4%**	**59.795**	**56.5**	**-6%**

Note: 1/ EU-15 includes the newest member states of Austria, Finland and Sweden.
FY 1997 forecasts (f) are based on USDA's "Outlook for U.S. Agricultural Exports," published May 29, 1997.

U.S. Exports of Agricultural, Fish & Forest Products by Major Group

Monthly and Annual Performance Indicators

Export Values	May 1996	May 1997	Chg	October-May FY '96	October-May FY '97	Chg	Fiscal Year 1996	Fiscal Year 1997(f)	Chg
	-- $Billion --			-- $Billion --			-- $Billion --		
Grains and Feeds 1/	1.839	1.131	-39%	14.767	11.379	-23%	21.553	16.0	-26%
Wheat & Flour	0.487	0.233	-52%	4.464	2.518	-44%	7.032	3.8	-46%
Rice	0.067	0.064	-4%	0.703	0.726	3%	1.004	1.0	-0%
Coarse Grains 2/	0.933	0.454	-51%	6.746	5.200	-23%	9.338	6.9	-26%
Corn	0.877	0.405	-54%	6.081	4.620	-24%	8.369	6.1	-27%
Feeds & Fodders	0.213	0.226	6%	1.818	1.829	1%	2.627	2.6	-1%
Oilseeds and Products	0.594	0.647	9%	7.133	8.961	26%	9.670	10.8	12%
Soybeans	0.346	0.361	4%	4.737	5.829	23%	6.312	7.0	11%
Soybean Cakes & Meals	0.103	0.101	-2%	0.869	1.388	60%	1.305	1.6	23%
Soybean Oil	0.018	0.008	-56%	0.236	0.371	57%	0.272	0.5	84%
Other Vegetable Oils	0.049	0.078	62%	0.616	0.549	-11%	0.836	N/A	NA
Livestock Products	0.752	0.653	-13%	5.654	5.061	-10%	8.067	8.3	3%
Beef, Pork & Variety Meats	0.426	0.351	-18%	3.096	2.548	-18%	4.343	4.6	6%
Hides, Skins & Furs	0.165	0.149	-10%	1.115	1.152	3%	1.677	1.7	1%
Poultry Products	0.239	0.238	-1%	1.796	1.932	8%	2.730	2.9	6%
Poultry Meat	0.201	0.205	2%	1.546	1.664	8%	2.353	N/A	NA
Dairy Products	0.071	0.076	7%	0.496	0.515	4%	0.719	0.7	-3%
Unmanufactured Tobacco	0.110	0.226	106%	1.078	1.252	16%	1.393	1.4	1%
Cotton and Linters	0.135	0.232	72%	2.681	2.047	-24%	3.028	2.8	-8%
Planting Seeds	0.034	0.057	67%	0.547	0.716	31%	0.727	0.9	24%
Horticultural Products	0.870	0.922	6%	6.611	7.063	7%	10.019	10.6	6%
Sugar & Tropical Products	0.174	0.174	0%	1.227	1.325	8%	1.886	2.1	11%
Forest Products 4/	0.635	0.648	2%	4.706	5.078	8%	7.060	N/A	N/A
Fish and Seafood Products 4/	0.214	0.191	-11%	1.732	1.762	2%	2.867	N/A	N/A
Total Agriculture	4.818	4.356	-10%	41.988	40.250	-4%	59.792	56.5	-6%
Total Ag., Fish & Forest	5.667	5.195	-8%	48.426	47.090	-3%	69.720	N/A	N/A

Export Volumes	May 1996	May 1997	Chg	October-May FY '96	October-May FY '97	Chg	Fiscal Year 1996	Fiscal Year 1997(f)	Chg
	---- MMT----			---- MMT----			---- MMT----		
Grains and Feeds 1/	8.761	6.215	-29%	78.368	64.472	-18%	110.130	N/A	NA
Wheat	2.131	1.261	-41%	21.401	13.793	-36%	33.716	21.5	-36%
Wheat Flour	0.035	0.041	15%	0.301	0.321	7%	0.470	0.6	28%
Rice	0.204	0.154	-24%	2.023	1.891	-7%	2.831	2.5	-12%
Coarse Grains 2/	5.304	3.500	-34%	44.345	38.435	-13%	58.656	52.8	-10%
Corn	5.006	3.111	-38%	40.110	34.013	-15%	52.681	46.5	-12%
Feeds & Fodders	0.865	1.007	16%	8.634	8.368	-3%	12.065	12.2	1%
Oilseeds and Products	1.737	1.731	-0%	23.198	27.833	20%	30.759	33.3	8%
Soybeans	1.145	1.111	-3%	17.147	20.337	19%	22.372	24.1	8%
Soybean Cakes & Meals	0.400	0.354	-11%	3.766	5.056	34%	5.445	6.1	12%
Soybean Oil	0.029	0.013	-55%	0.392	0.673	72%	0.450	0.8	78%
Other Vegetable Oils	0.062	0.113	82%	0.851	0.818	-4%	1.146	N/A	NA
Livestock Products 3/	0.541	0.269	-50%	2.753	2.069	-25%	3.791	N/A	NA
Beef, Pork & Variety Meats	0.141	0.118	-16%	0.983	0.866	-12%	1.410	1.5	6%
Poultry Products 3/	0.212	0.220	4%	1.581	1.677	6%	2.383	N/A	NA
Poultry Meat	0.207	0.216	4%	1.549	1.636	6%	2.330	2.5	7%
Dairy Products 3/	0.038	0.041	10%	0.325	0.273	-16%	0.445	N/A	NA
Unmanufactured Tobacco	0.021	0.032	54%	0.168	0.192	14%	0.218	N/A	NA
Cotton & Linters	0.082	0.145	77%	1.501	1.218	-19%	1.703	1.6	-6%
Planting Seeds	0.033	0.104	216%	0.447	0.963	115%	0.665	N/A	NA
Horticultural Products 3/	0.618	0.701	13%	4.816	5.033	5%	7.139	7.5	5%
Sugar & Tropical Products 3/	0.099	0.097	-1%	0.733	0.769	5%	1.137	N/A	NA
Total Agriculture 3/	12.141	9.557	-21%	113.891	104.499	-8%	158.371	145.4	-8%

Notes: 1/ Includes pulses, corn gluten feed and meal; 2/ Includes corn, oats, barley, rye and sorghum; 3/ Includes only those items measured in metric tons; 4/ Items not included in agricultural product totals. N/A = not available.

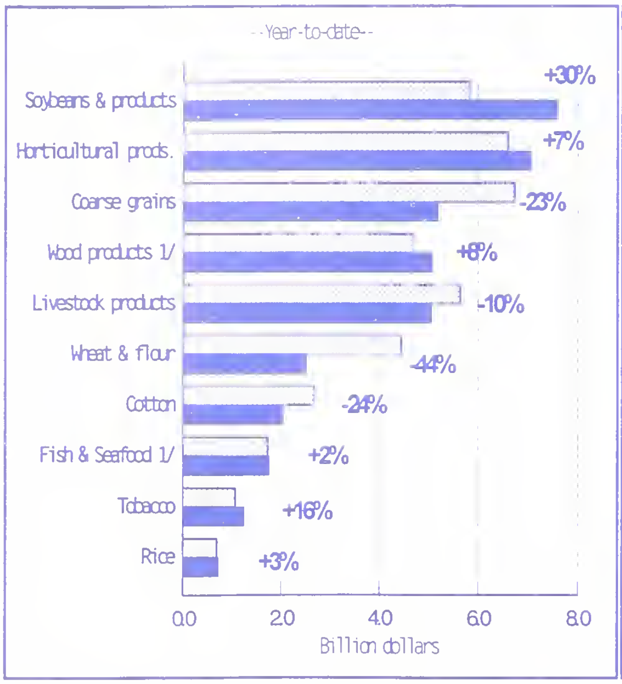
FY 1997 forecasts (f) are based on USDA's "Outlook for Agricultural Exports," published May 29, 1997.

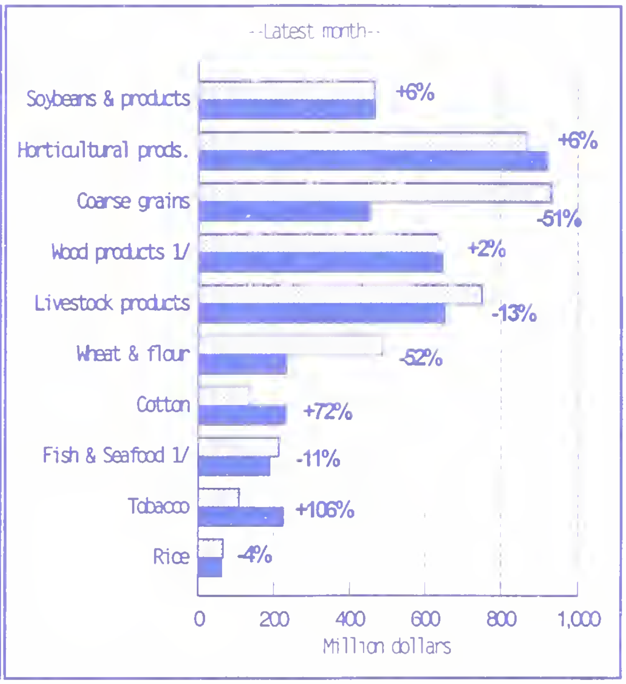
U.S. Agricultural, Fish, and Wood Export Summaries

October-May and Latest Month Comparisons

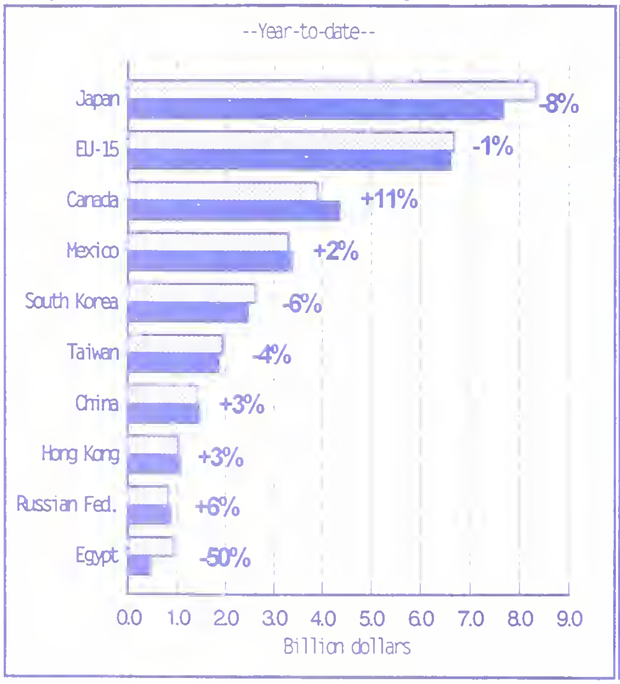
FY 96 FY 97

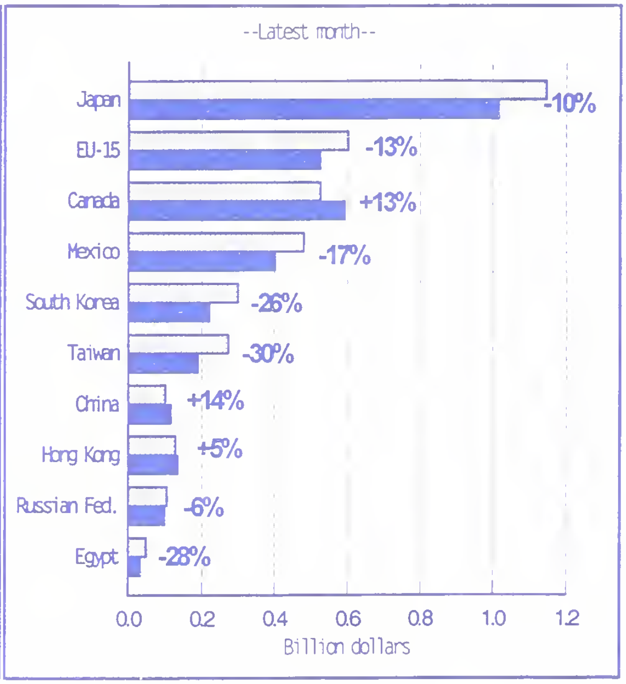
Product Summary





Top Ten Markets Summary

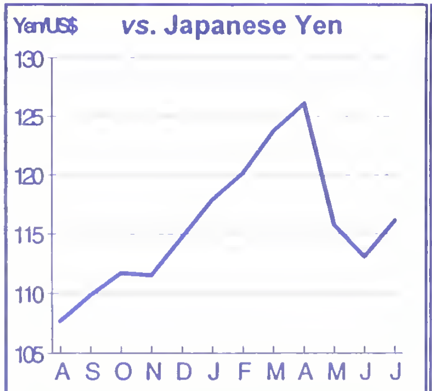


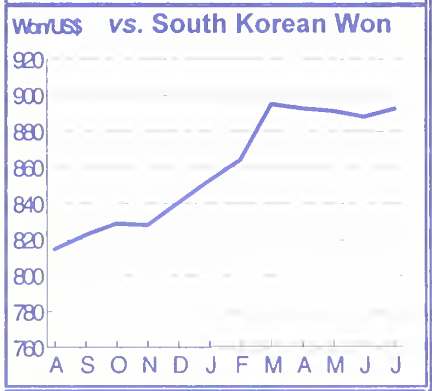


Note: Percentages are computed as the change from a year ago.
1/ Not included in agricultural totals.

Value Of U.S. Dollar Against Major World Currencies

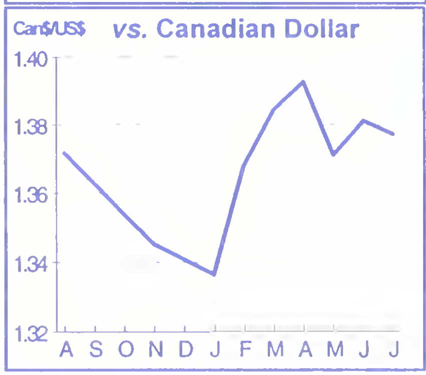
Daily Spot Quotations & Monthly Averages

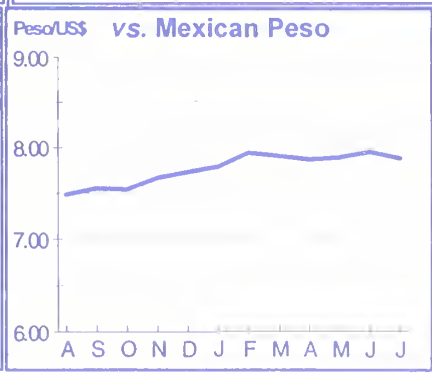


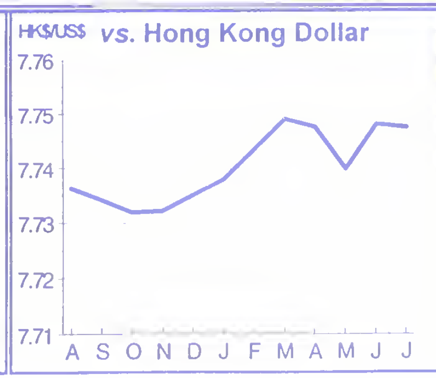


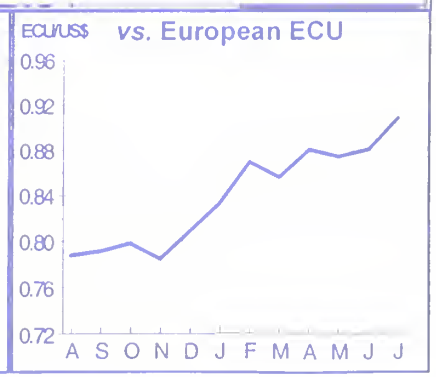
Currencies	Current Rate 7/21/97	Month Ago 7/24/97	Year Ago 7/96	% Change Year Ago 7/96
Argentine Peso	.9986	.9986	.9988	-0.02
Australian Dollar	1.3506	1.3326	1.2645	0.07
Brazilian Real	1.0811	1.0765	1.0180	6.20
Canadian Dollar	1.3774	1.3943	1.3716	0.42
Hong Kong Dollar	7.7475	7.7455	7.7347	0.16
Japanese Yen	115.63	113.80	107.90	7.16
Mexican Peso	7.8830	7.9470	7.5910	3.85
Taiwan Dollar	27.918	27.858	27.553	1.32
South Korean Won	892.45	888.05	813.20	9.75
European ECU	.90876	.87966	.79089	14.90
-British Pound	.5957	.6129	.6440	7.50
-French Franc	6.0565	5.7595	5.0446	20.06
-German Mark	1.7925	1.7055	1.4904	20.27

NOTE: Exchange rates are daily spot quotes as of 3:00 PM Eastern Time, July 21, 1997.
Source: CMP/OA/FAS Exchange Rate Database and Wall Street Journal.









USDA Trade Show Calendar

Food & Hotel China

August 26-29, 1997
Shanghai, China

● Number of visitors: 13,426
An international show attracting exhibitors from 30 countries and thousands of high quality buyers from many provinces of China.

Ellen Wong
Commerce Tours Int'l
870 Market Street, Suite 920
San Francisco, CA 94102
Tel: 415-433-3072
Fax: 415-433-2820

USDA Contact:
Heather Grell
Tel: 202-205-3771
Fax: 202-690-4374
E-mail: grell@fas.usda.gov

SIAL Mercosur

August 26-29, 1997
Buenos Aires, Argentina
Municipal Exhibition Center

● A first-time show-targeting Mercosur, the unified market of Brazil, Argentina, Paraguay and Uruguay, representing 200 million potential consumers.

Julie Halas
IMEX Management, Inc.
6525 Morrison Boulevard, Suite 402
Charlotte, NC 28211 USA
Tel: (704) 365-0041
Fax: (704) 365-8426

USDA Contact:
Karl Hampton
Tel: (202) 690-0188
Fax: (202) 690-4374
E-mail: hampton@fas.usda.gov

Fine Food '97

September 7-10, 1997
Sydney, Australia
Exhibition Center

Australian Exhibition Services Pty. Ltd.
Illoura Plaza, 424 St. Kilda Road
Melbourne, Victoria 3004
Tel: 011-03-98674500
Fax: 011-03-98677981

Ellen Wong
Commerce Tours Int'l
870 Market Street, Suite 920
San Francisco, CA 94102
Tel: 415-433-3072
Fax: 415-433-2820

USDA Contact:
Gary Fountain
Tel: 202-720-7417
Fax: 202-690-4374
E-mail: fountain@fas.usda.gov

POLAGRA'97

October 2-7, 1997
Poznan, Poland

● Number of visitors: 232,000
With a rapid growing economy and population of 40 million, Poland constitutes one of the largest and most dynamic markets in Central Europe.

Agricultural Office/American Embassy
Al. Ujazdowskie 29/31
00-540 Warsaw, Poland
Tel: 011-4822-621-3926
Fax: 011-4822-628-1172

USDA Contact:
Maria Nemeth-Ek
Tel: 202-720-3623
Fax: 202-690-4374
E-mail: nemeth@fas.usda.gov

...Trade Show Calendar

ANUGA '97*
October 11-16, 1997
Cologne, Germany

● Number of visitors: 350,000
The largest show in the world for the promotion of food and beverage products.

Teresina M. Leslie
USDA Foreign Agricultural Service
Room 4646-South Building
14th Street & Independence Avenue, S.W.
Washington, DC 20250-1052
Tel: 202-720-9423
Fax: 202-690-4374
E-mail: leslie@fas.usda.gov

DIETEXPO '97
October 18-20, 1997
Paris, France

● Number of visitors: 8,000
Dietexpo '97 brings together more than 300 natural/health food exhibitors, from all over the world.

Office of Agricultural Affairs
American Embassy
2, avenue Gabriel-75382 Paris Cedex 08, France
Tel: (33-1) 43 12 2245/2264
Fax: (33-1) 43 12 2662
E-mail: 106112.374@compuserve.com
Home Page: http://www.usia/gov/posts/paris.html

Mrs. Liz Hitchcock
Reed Exhibition Companies
International Sales
383 Main Avenue
Norfolk, CT 06851

USDA Contact:
Heather Grell
Tel: 202-205-3771
Fax: 202-690-4374
E-mail: grell@fas.usda.gov

Tallinn Food Show '97
November 4-6, 1997
Pirita Fairs Center
Tallinn, Estonia

● Number of visitors: 18,000
Tallinn is also a "gateway" for trade with Russia (particularly St. Petersburg and Moscow) and the Ukraine.

Jolanta Andersonne
American Embassy, Raina
Blvd. 7, LV-1510
Riga, Lativa
Tel: 011-371-7-210-006
Fax: 011-371-7-227-390
E-mail:agriga@usda1.sprint.com

USDA Contact:
Chin-Zen Lin Plotner
Tel: 202-720-5138
Fax: 202-690-0193
E-mail: plotner@fas.usda.gov

Vietnam Food & Hospitality Week'97
November 5-8, 1997
Ho Chi Minh City, Vietnam

HIECC
Export Promotion Services Agency
1205, Home Place Office Bldg.
283/62 Sukkhumvit 55 Rd.
Bangkok 10110
Tel: 011-662-712-7257
Fax: 011-662-712-726

Ellen Wong
Commerce Tours Int'l
870 Market Street, Suite 920
San Francisco, CA 94102
Tel: 415-433-3072
Fax: 415-433-2820

...Trade Show Calendar

USDA Contact:
Tobitha Jones
Tel: 202-690-1182
Fax: 202-690-4374
E-mail: joneste@fas.usda.gov

Food & Hotel Philippines

February 18-21, 1998
Manila, Philippines

● The Philippines continues to emerge as one of the brightest prospects in Asia for growth in U.S. consumer-oriented foods exports.

Ellen Wong
Commerce Tours International
870 Market Street, Suite 920
San Francisco, CA 94102
Tel: 415-433-3072
Fax: 415-433-2820

USDA Contact:
Tobitha Jones
Tel: 202-690-1182
Fax: 202-690-4374
E-mail: joneste@fas.usda.gov

MEFEX '98

February 28-March 3, 1998
Bahrain Int'l Exhibition Center
Manama, Bahrain

● Number of visitors: 5,126
MEFEX is the Middle East longest running show at the heart of the US $8 billion Gulf Cooperation Council food and beverage market.

Russell Hood
IMEX Management
6525 Morrison Boulevard, Suite 402
Charlotte, NC 28211
Tel: (704) 365-0041
Fax: (704) 365-8426

USDA Contact:
Gary Fountain
Tel: 202-720-7417
Fax: 202-690-4374
E-mail: fountain@fas.usda.gov

Alimentaria '98*

March 2-6, 1998
●Number of visitors: 140,000

Alimentaria is the largest food exposition in Iberia, held biennially and alternating between Spain and Portugal.

USDA Contact:
Heather Grell
Tel: 202-205-3771
Fax: 202-690-4374
E:mail: grell@fas.usda.gov

Foodex Japan '98

March 10-13, 1998
Nippon Convention Center (Makuhari Messe)
Tokyo, Japan

● Number of visitors: 87,716
An essential and comprehensive stop for any business entering Japan's market.

Japan Management Association
3-1-22, Shibakoen Minato-Ku
Tokyo, Japan
Tel: 011-03-3434-0093
Fax: 011-03-3434-8076

USDA Contact:
Maria Nemeth-Ek
Tel: 202-720-3623
Fax: 202-690-4374
E-mail: nemeth@fas.usda.gov

...Trade Show Calendar

Great American Food Show-Korea*

March 17-19, 1998
Seoul, Korea

● Number of visitors: 3,500

Philip A. Shull
Agricultural Trade Office-Seoul
82 Sejong-Ro, Chongro-Ku
Seoul, Korea 110-050
Tel: 011-822-397-4297
Fax: 011-822-738-7147

USDA Contact:
Teresina Leslie
Tel: 202-720-9423
Fax: 202-690-4374
E-mail: leslie@fas.usda.gov

Food & Hotel Asia '98

April 14-17, 1998
World Trade Centre
Singapore, Singapore

● Number of visitors: 36,000
Food & Hotel Asia is the largest show held in Southeast Asia. It attracts buyers from Malaysia, Indonesia, Thailand, and the Philippines.

Ellen Wong
Commerce Tours International, Inc.
870 Market Street, Suite 918
San Francisco, CA 94102
Tel: (415) 433-3072
Fax: (415) 433-2820

USDA Contact:
Teresina Leslie
Tel: 202-720-9423
Fax: 202-690-4374
E-mail: leslie@fas.usda.gov

*USDA Sponsored Shows:

USDA is involved in all aspects of show management and provides related services, including:

Assistance in sample product shipment, rental of floor space, booth design/layout, and marketing the show to potential exhibitors (primarily via mass mailing, invitations to special events, printing show directory) and hotel reservations for show participants.

USDA staff from Washington and the local U.S. Embassy provide support to exhibitors.

USDA Endorsed Shows:

USDA recommends these as best avenues to enter prospective market for consumer-oriented foods, and provides limited services related to these shows, including:

Marketing, mailing advertising material, referral to show organizer, setting up information booth or national pavilion, pre-show promotion, invitation of potential buyers.

Recommendation is based on market potential and commitment of USDA staff in the overseas posts. USDA staff overseas provides most of the related services.

What Every Exporter Should Know

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- find the right person to distribute your product.
- customize your product for foreign consumers.
- test your product and your packaging.
- find out about foreign import rules and regulations.
- get information and help with shipping.
- make sure you get paid.
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Information Division
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Please send to:

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Company ______________________

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